Functioning of commodity exchanges

2769. SHRI MAHMOOD A. MADANI:
SHRI SANTOSH BAGRODIA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) how many commodity exchanges are functioning in the country;

(b) whether Government have taken note of the eligibility criterion to become the member of these commodity exchanges and if so, the details thereof;

(c) whether such criterion facilitate the primary producers particularly the farmers to become members and trade directly in such exchanges; and

(d) if not, how such exchanges benefit the primary producers and farmers?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) There are 24 commodity exchanges recognized by the Government under the Forward Contracts (Regulation) Act, 1952.

(b) Articles of Association/Rules of the recognized Exchanges provide for criteria for admission of the members. As per the Articles/Rules of the recognized Exchanges, any individualy/person who is a citizen of India, and who has completed 21 years of age, co-operative societies, corporate bodies etc. that complies with the minimum networth criteria, capital adequacy, minimum security deposit, admission fee, registration conditions as specified in the Rules/Articles of the commodity Exchanges recognized by the Government are eligible to apply for the membership of these Exchanges.

(c) and (d) Primary producers including farmers can also become members of the Exchanges subject to their fulfilment of eligibility criteria. Besides, primary producers, farmers, other individuals etc. can trade on the Exchanges through members by becoming their clients. They can benefit from the price signals emanating from the commodity futures market and also by hedging.